



Regulation XIII – New Source Review

Working Group Meeting
April 15, 2021

Join Zoom Meeting

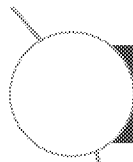
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Meeting ID: Ex. 6 Personal Privacy (PP)

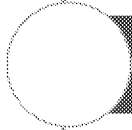
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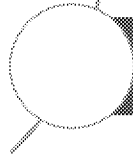
Agenda



Previous Working Group Summary



Status of NSR Issues



Proposed Amended Rule 1304

Previous Working Group Meetings Summary

February 2021

⑩ PAR 1304 Rule Development

- ⑩ BACT exemption for non-ozone precursor emission increases associated with new or modified air pollution control equipment installed to meet NOx rule limits at RECLAIM facilities

⑩ Overall Offsetting Structure

- ⑩ Proposed Minor and Major Source Banks
- ⑩ Seeding the proposed banks

March 2021

- ⑩ Responded to stakeholder comments on the RECLAIM Transition Plan, Draft Version 2.0

PAR 1304 – Proposed Rule Language

1. BACT exemption for non-ozone precursor emission increases associated with new or modified air pollution control equipment installed to meet NOx rule limits at RECLAIM facilities.

2. BACT exemption for non-ozone precursor emission increases associated with new or modified air pollution control equipment installed to meet NOx rule limits at RECLAIM facilities.

3. BACT exemption for non-ozone precursor emission increases associated with new or modified air pollution control equipment installed to meet NOx rule limits at RECLAIM facilities.

4. BACT exemption for non-ozone precursor emission increases associated with new or modified air pollution control equipment installed to meet NOx rule limits at RECLAIM facilities.

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9. BACT exemption for non-ozone precursor emission increases associated with new or modified air pollution control equipment installed to meet NOx rule limits at RECLAIM facilities.

10. BACT exemption for non-ozone precursor emission increases associated with new or modified air pollution control equipment installed to meet NOx rule limits at RECLAIM facilities.

Source	Offset	Offset	Offset	Offset
Source 1	Offset 1	Offset 2	Offset 3	Offset 4
Source 2	Offset 5	Offset 6	Offset 7	Offset 8
Source 3	Offset 9	Offset 10	Offset 11	Offset 12
Source 4	Offset 13	Offset 14	Offset 15	Offset 16
Source 5	Offset 17	Offset 18	Offset 19	Offset 20

Comment Letters

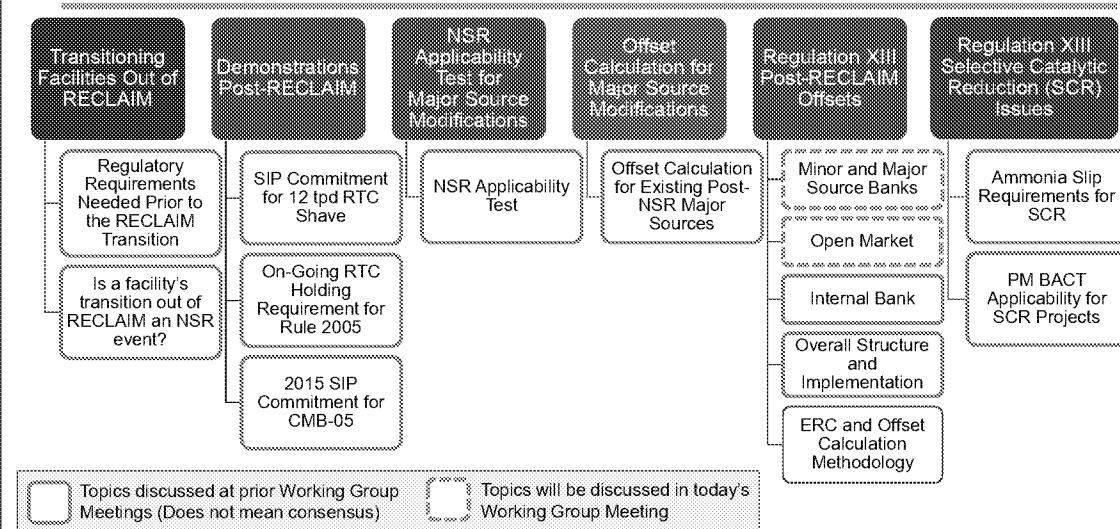
Five comment letters were received from:

- California Council on Regulation and Economic Affairs (CCREA)
- California Air Resources Board (CARB)
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- California Air Resources Board (CARB)

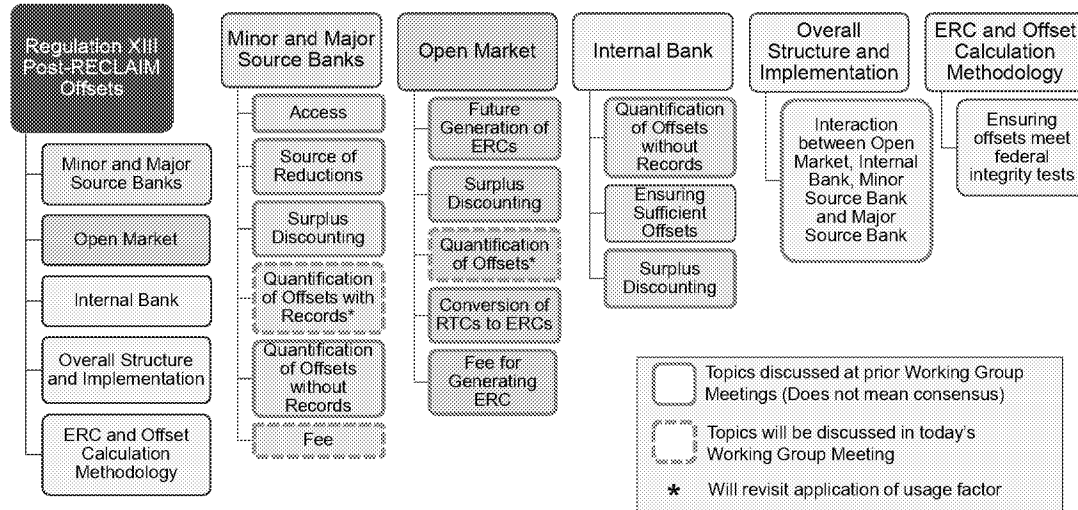
Comments were received on the following topics:

- Offset banking
- Offset banking
- Offset banking
- Offset banking
- Offset banking

Status of NSR Issues



Regulation XIII Offsets Post-RECLAIM



Proposed Amended Rule 1304

- » February Working Group discussed Proposed Amended Rule 1304
 - » Presented draft rule language
 - » Discussed different replacement scenarios, pending applications, and existing permit limits
- » Received Working Group comments requesting:
 - » Additional rule language to clearly allow replacements
 - » Further clarification about replacement scenarios
 - » Clarification about allowing increases in efficiency when limiting increases in the operational design
- » Will discuss updated rule language during today's meeting

PAR 1304 – Updated Rule Language

(f) BACT Exemption

- (1) Upon approval by the Executive Officer or designee, a new or modification to the permitted unit(s), to install add-on air pollution control equipment to control the issuance of ozone precursors, is exempt from the BACT requirement of Rule 1303

(a)(1) provided:

- (A) The exemption is limited to particulate matter emissions;

Seeking confirmation about limiting exemption to particulate matter only instead of non-ozone precursors?

- * Updated rule to specify applicability for new or modifications to permitted unit(s), to add pollution control equipment for the control of ozone precursor emissions
- * Changed BACT exemption applicability from non-ozone precursors to particulate matter emissions only
 - * Ammonia emissions from SCR installations would not be exempt
- * Added language regarding exemption approval for consistency with other provisions in Rule 1304
 - * Approval would occur during permitting

Subparagraph (f)(1)(B) – BACT Exemption Limitations

- (B) The new or modification to the permitted unit(s) at a RECLAIM or former RECLAIM facility are to comply with a South Coast AQMD rule to meet a specified NO_x BARCT emission limit established before December 31, 2023;
- Exemption would be limited for the purpose of complying with a NO_x BARCT emission limit that was established as part of the RECLAIM transition to command-and-control and would not apply to future BARCT rules
 - Rule language updated with cutoff date to exclude applicability of future BARCT rules

Subparagraphs (f)(1)(C) and (f)(1)(D) – BACT Exemption Limitations

- | | |
|--|---|
| <p>(C) There is no increase in the total maximum rated capacity for the new permitted unit(s) and the new permitted unit(s) are replacing permitted unit(s) that serve the same purpose as those being replaced;</p> | <ul style="list-style-type: none">* Exemption would not apply if there is an increase in the maximum rated capacity for the new or modification to the permitted unit(s)<ul style="list-style-type: none">* Maximum rated capacity based on the permitted heat input capacity, or if not specified on the permit, as specified on the nameplate of the combustion unit* If there is no increase in total capacity and the replacements serve the same purpose, then:<ul style="list-style-type: none">* A single unit can be replaced with one or more units, or* Multiple units can be replaced with one unit, or* Multiple units can be replaced with multiple units |
| <p>(D) There is no increase in the total maximum rated capacity for the modification to the permitted unit(s);</p> | |

Subparagraph (f)(1)(E) – BACT Exemption Limitations

(E) The facility does not have an increase in the physical or operational design, except for those changes needed for the new or modification of the permitted unit(s). An increase in efficiency is not an increase in the physical or operational design;

- Exemption will not cover facility expansions or additional improvements or upgrades that are not for BARCT compliance
- Rule language was added to clarify that increases in efficiency are allowed

Subparagraph (f)(1)(F) – BACT Exemption Limitations

(F) Emissions from the new or modification to the permitted unit(s), by itself, do not cause an exceedance of any ambient air quality standard; and

▪ Exemption would not preclude compliance with modeling requirements, such as CEQA, federal NSR, or Rule 1303 (b)(1)

Subparagraph (f)(1)(G) – BACT Exemption Limitations

(G) The new or modification to the permitted unit(s) does not constitute a federal Major Stationary Source as defined in 40 CFR 51.165(a)(1)(iv) or a federal Major Modification as defined in 40 CFR 51.165(a)(1)(v).

- New or modifications to the permitted unit(s) cannot be part of a project subject to federal NSR
- Federal NSR applicability is based on whether a project exceeds the federal major source thresholds
 - For major sources over 70 tons per year, the major modification thresholds are 15 ton per year for PM10 and 10 tons per year for PM2.5
- Under Regulation XIII, Major Polluting Facility is used in place of Major Stationary Source

Paragraph (f)(2) – Permit Limits

※ BACT exemption will clarify that monthly emission limits, as required by Rule 1313 (g)(2), will still be included in Permits to Operate:

(2) The requirements of Rule 1313 – Permits to Operate shall apply regardless of the BACT exemption in paragraph (f)(1).

※ PM increases exempt from BACT will have separate permit limits to ensure federal NSR thresholds are not exceeded

(Adopted October 5, 1979)(Amended March 7, 1980)(Amended September 10, 1982)
(Amended July 12, 1985)(Amended June 28, 1990)(Amended December 7, 1995)

RULE 1313. PERMITS TO OPERATE

(a) Change of Operator

The Executive Officer or designee shall exempt from the provisions of this rule any facility which is a continuing operation, without modification or change in

(g) Emission Limitation Permit Conditions

Every permit shall have the following conditions:

(1) Identified BACT conditions;

(2) Monthly maximum emissions from the permitted source.

purpose of this rule, be considered an application for a Permit to Construct. The Executive Officer or designee shall deny the Permit to Operate unless the new or modified facility complies with all provisions of Regulation XIII. All offsets must

Schedule for PAR 1304

※ Scheduled for a Public Hearing
in September 2021 to
accompany PR 1109.1

Public Workshop

• Mid-June 2021

Stationary Source Committee

• June 18, 2021

Set Hearing

• August 6, 2021

Public Hearing

• September 3, 2021

Ongoing Efforts and Next Steps



Continue Monthly Working
Group Meetings



Continue rule development for
PAR 1304



Continue work with U.S. EPA,
CARB, and stakeholders to
resolve NSR issues

Contacts

General Questions	Susan Nakamura Assistant Deputy Executive Officer 909-396-3105 snakamura@aqmd.gov	New Source Review	Michael Morris Planning and Rules Manager 909-396-3282 mmorris@aqmd.gov
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